

## Cereal Growers Association

### Quarterly Project Report (April - June 2011) – Draft

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## Executive Summary

The main objective of this grant is to build on the successes of the 1<sup>st</sup> Grant that had lasted from October 2009-November 2010 and whose main objective was to “improve the grain marketing systems through establishing group-based Model Satellite Stores (MoSS) to enhance marketing opportunities for small-scale farmers.” The storage facilities so developed will be used by the Farmer Based Organizations (FBOs) as model centres for joint grain bulking, quality control and as hubs for market information. The grant seeks to address the challenges of fragmented / individualized marketing, high post harvest losses, inadequate market information and over-reliance on maize as a staple food. The project area will be the districts of Trans Mara (Kenya) and Kongwa (Tanzania).

The highlight of this quarter is still the continued sharp rise in most commodity prices with the indicative maize price rising from USD 140 per MT at the beginning of the last quarter in January 2011 to the current USD 500 per MT delivered to the major buyers, a 257 per cent rise. Joint bulking and marketing of grain also continued through this quarter for commodities like; maize, beans, millet, sorghum and sunflower.

The deliveries to WFP P4P through the direct purchase contract by 2 groups, a short fall of 15 groups out of the 17 FBOs contracted in the previous quarter were 14.5 MT of beans worth USD 8660 and 189.95MT of maize worth USD 69,842 in Trans Mara, Kenya. Mean while, the Cereal Growers of Kongwa (CGOK) has been awarded a tender of 65MT of maize by WFP P4P at a price of USD 330.72 per MT ex ware house and USD 350.93 per MT delivered to Dodoma. The FBOs in Trans Mara have also negotiated and been awarded Forward Delivery Contract (FDC) of 952 MT of Maize and 56MT of beans at a floor price of USD 250 per MT and USD 448 per MT respectively. The sales to other traders were; Maize 788.3 MT valued at USD 265,661 and beans 37.62MT valued at USD 25,285. Kenya Seed Company also contracted 3 FBO members to supply Sorghum and Sunflower. The farmers supplied 28.2 MT of Sorghum valued at USD 14,100 and 41.05 MT of sunflower valued at USD 22,956. (*Exchange rate of USD 1= KES 80 = TZS 1,500*).

Due to the limited access to suitable storage structures in the project areas, CGA sought to identify FOs that could be considered under the WFP - P4P storage structures support and those that could be renovated into suitable grain stores. A total of four (4) sites have been identified for consideration in Trans Mara. Romosha Farmers Association together with other groups within Meguarra Location, Pirrar division of Transmara have managed to get an allotment letter for 0.118 HA plot within Romosha shopping center from the county council

of Transmara while Lolgorian Grain Growers Store at Olopi will be renovated and expanded so as to carry over 700 MT from the current 150 MT. The third and fourth storage facilities are to be built at Oldonyo Orok and Angata respectively. The FBOs in the bulking center are looking for the piece of land to buy or allocated by the council.

In Kongwa, Tanzania, the effort is geared towards the registration of the farmer operated stores at four sites: to date two ware houses (Pandambili and Lenjulu) has been approved for registration and payment of registration fee. The other two (Hogolo and Kibaigwa) will be inspected in July 2011 and registered as well if all specs are met. This will make a total of 4 ware house operating under ware House Receipting system.

During the quarter, 9 new FBOs with a combined membership of 208 members (97 or 46 per cent of them women) were mobilized in Trans Mara district Kenya while in Kongwa, Tanzania 8 mobilization meetings were conducted at village level where 799 farmers, 336 being women were mobilized to participate in collective marketing through Model Satellite Stores approach. In Trans Mara Umbrella three (3) groups have also been formed so as to ease the management of SHAs at the bulking centers especially when marketing jointly to WFP P4P

5 ToT courses were facilitated during the quarter in both Trans Mara and Kongwa areas benefiting a total of 144 FBO members and leaders with 62 or 43 per cent being women. Two (2) of the ToTs were in Trans Mara with 54 (18 female; 36 male) FBO members participating. In Kongwa District, three (3) ToTs were conducted with 90 (44 female; 46 male) FBO members benefiting. The topics covered under the ToTs were: Entrepreneurship and Personal Entrepreneurial Competencies (PECs), leadership and management skills, gender mainstreaming workshop looking at women involvement and benefits in the cereal marketing sub sector, Post Harvest Handling and FOs Records keeping and Participatory Farmer Monitoring. A total of 88 (46 or 52% of them being female) FBO members were trained in 2 GLTs (at the FBO level) on Farmer Organization (FOs) record keeping all conducted in Trans Mara at Olopi - Lolgorian and Angata in Transmara District by the CGA and WFP teams.

## Details of Accomplishments for the period

### 1. Newly Established farmer groups and increased membership of SHAs

During the quarter, 9 new FBOs with a combined membership of 208 members (97 or 46 per cent of them women) were identified and mobilized in Trans Mara district Kenya while in Kongwa, Tanzania 8 mobilization meetings were conducted at village level where 799 farmers, 336 or 42 per cent being women were mobilized to participate in collective marketing through Model Satellite Stores approach. The objective of these meetings was to meet with farmers at village level, discuss on bulky marketing and the opportunities available. The result of discussion was fruitful because every village agreed to the ideas of joint bulking and marketing through the stores and to respond positively to WFP tenders.

#### *Summary of FBOs identified during the quarter*

<b>FBO name</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Angata Investment Youth group	12	12	24
Kapsinendet group	24	3	27
Kaposare farmers group	12	3	15
River source Self Help Group	14	5	19
Ololalei Self help group	13	3	16
Naramat women group	14	17	31
Kilutori Women group	0	29	29
Ololmasani Youth group	7	8	15
Kamerumeru Kaplubian Birkoik Development group	15	17	32
<b>TOTAL</b>	<b>111</b>	<b>97</b>	<b>208</b>

### *Summary of village Mobilization meetings*

<b>Date</b>	<b>Village</b>	<b>Female</b>	<b>Male</b>	<b>Total</b>
23/6/2011	Matongolo	32	68	100
24/6/2011	Hogolo	19	80	99
25/6/2011	Mkoka	68	32	100
26/6/2011	Pandambili	59	41	100
27/6/2011	Songambele	23	77	100
28/6/2011	Kibaigwa	45	55	100
29/6/2011	Hembahemba	61	39	100
30/6/2011	Lenjulu	29	71	100
<b>Total</b>		<b>336</b>	<b>463</b>	<b>799</b>

In Trans Mara another approach of forming Umbrella groups within the bulking centers was devised. Three (3) umbrella groups have been formed and duly registered with the Government Department of Social Services within the Ministry of Gender, Children and Social Services. The groups include; Meguarra Community Grain Store Group; Angata Farmers Association and Oldonyo Orok Farmers Association. Meguarra Community Grain store group situated within Romosha bulking center has 77 FBO members with 47 or 61 per cent being women and four (4) sub groups (Romosha Farmers Association, Naretisho Farmers Association, Ilimirisho Le Meguarra SHG and Romosha youth Group) affiliated to it, while Angata Farmers Association with eight (8) sub groups is located within Angata Division with a total of 196 FBO whereby 87 or 44 percent are Women. Oldonyo Orok Farmers Association having 147 FBO members with 53 or 36 per cent women is an umbrella group with seven (7) sub groups and is located at Oldonyo Orok Sub location of Angata division.

Five (5) more Umbrellas within Trans Mara from Keiyan, Kilgoris and Pirrar divisions are undergoing through the registration process. The initiative of forming Umbrella groups within bulking centers has been encouraged so as to ease the management of SHAs at the bulking centers especially when marketing jointly to WFP P4P. There will be fewer contracts to be processed by WFP P4P hence shortening the procurement process.

## **2. Establishment and Enhancement of Available Storage Capacity**

Due to the limited access to suitable storage structures in the project areas, CGA sought to identify FOs that could be considered under the WFP P4P storage structures support and those that could be renovated into suitable grain stores. A total of four (4) sites have been identified for consideration in Trans Mara.

Romosha Farmers Association together with other groups within Meguarra Location, Pirrar division of Transmara have managed to get an allotment letter for 0.118 HA plot within Romosha shopping center from the county council of Transmara. The Sub groups have come together to form a group called Meguarra Community Grain store group, a name that was chosen to synchronize with the store registration and the bank account details. The Farmers have managed to collect some building materials (stones) and mobilized USD 3750 from the Good Neighbours (an NGO) operating in the area. The new FBO Members have also paid the required USD 106 as charges for the allotment of the plot to the county council of Trans Mara. The groups have a new account with Co-operative bank Kilgoris Branch under the new group.

Lolgorian Grain Growers Store at Olopi will be renovated and expanded so as to carry over 700 MT from the current 150 MT. The Bill of Quantities (BQ) and the new store plan have been done and sent to WFP for consideration.

At Angata and Oldonyo Orok, plots have been set aside for the construction of two storage facilities for the bulking of the farmers' grain. The County council of Trans Mara has allocated 0.418 HA and 0.378 HA to Angata Farmers Association and Oldonyo Orok Farmers Association respectively.

In Kongwa, Tanzania, the effort is geared towards the registration of the farmer operated stores at four sites: Pandambili, Lenjulu, Hogolo and Kibaigwa. As at now two Ware houses (Pandambili and Lenjulu) have been approved for registration and consequently payment of registration fee. The other two (Hogolo and Kibaigwa) will be inspected in July 2011 and registered as well if all specs are met. This will make a total of 4 ware houses operating under ware House Receipting System. This effort will correct the situation where the farmers' margins from joint sales are significantly eroded by both the warehouse operator and bank charges under the Warehouse Receipt System (WRS), as was observed in the other season.

In Trans Mara WFP P4P has loaned farmers more equipments to the bulking centers at Angata (100 Pallets), Oldonyo Orok (100 pallets), Olopi-Lolgorian Grain Growers (1 Weighing scale) and Keiyan – Tangi Cereal Growers Association ( one (1) stitching machine, one (1) Generator, one (1) Weighing scale). This will be handy in supporting the farmers bulk and rebag faster than last season when the delay was caused by the few of the equipments. Through the USAID COMPETE support the FBOs in Trans Mara will also benefit from three

(3) collapsible driers, one (1) moisture metre, one (1) Weighing scale, aflatoxin kits and three (3) tarpaulins this coming season of July/August 2011

### **3. Strengthening Capacity of FBOs**

The efforts of building the capacity of the FBOs, both existing and newly mobilized, continued during the quarter.

#### **a) Training of Trainers (ToT) Facilitation**

Five (5) ToT courses were facilitated during the quarter in both Trans Mara and Kongwa areas benefiting a total of 144 FBO members and leaders with 62 or 43 per cent being women.

Two (2) of the ToTs were in Trans Mara with 54 (18 female; 36 male) FBO members participating. The areas covered under the two ToTs were; FOs Records keeping & Participatory Farmer Monitoring (16 participants with 7 or 43 per cent being women ) and gender mainstreaming workshop looking at women involvement and benefits in the cereal marketing sub sector ( 38 participants with 12 or 31.5 per cent women) attending

In Kongwa District, three (3) ToTs were conducted with 90 (44 female; 46 male) FBO members benefiting. The topics covered under the ToTs were: Entrepreneurship and Personal Entrepreneurial Competencies (PECs) where 30 FBO members with 19 or 63 per cent women benefited, leadership and management skills (40 FBO members with 14 or 35 per cent women) and Post Harvest Handling with 20 FBO members trained where 11 or 55 per cent were women. These trainings were designed to build and strengthen capacities of farmers on the above areas to prepare them for better group management, harvest and marketing. The participants to the trainings were the leaders of farmer groups and were particularly invited from the project areas which are; Kibaigwa, Pandambili, Lenjulu and Hogolo.

#### **b) Grass Root Level Trainings (GLTs) Facilitation**

A total of 88 (46 or 52% of them being female) FBO members were trained in two (2) GLTs (at the FBO level) on Farmer Organization (FOs) record keeping, all conducted in Trans Mara at Olopi - Lolgorian and Angata in Transmara District by the CGA and WFP teams.

All the trainings were conducted by both the CGA project staff, WFP team and well trained, experienced and tested Consultant trainers drawn from the CGA pool of trainers.

*Table showing a summary of the ToTs and GLTs conducted during the last 3 months*

Title of training	Venue / Date	No. of sessions	ToTs/ GLTs	No. of participants		
				Female	Male	Total
Training on Leadership and Management	Kongwa / 27 <sup>th</sup> to 29 <sup>th</sup> April 2011	1	ToT	14	26	40
FOs records and record keeping	Trans Mara 10 <sup>th</sup> & 12 <sup>th</sup> May 2011	2	GLTs	46	42	88
Entrepreneurship and Personal Entrepreneurial Competencies (PECs)	Kongwa / 19 <sup>th</sup> to 21 <sup>st</sup> May 2011	1	ToT	19	11	30
FOs records keeping and Participatory Farmer Monitoring	Trans Mara 25 <sup>th</sup> May 2011	1	ToT	7	9	16
Post harvest handling (PHH)	Kongwa / 25 <sup>th</sup> to 26 <sup>th</sup> May 2011	1	ToT	11	9	20
Gender Mainstreaming – women	Trans Mara 31 <sup>st</sup> May 2011	1	ToT	12	26	38
<b>TOTAL</b>		<b>7</b>		<b>109</b>	<b>121</b>	<b>230</b>

#### **4. Joint Produce Consolidation and Selling**

This was the quarter that saw the price of maize and beans and that of other food commodities rise steadily. This scenario made WFP P4P change the mode of purchase to direct negotiation (direct purchase). However, due to the competitive market prices prevailing from the Month of April, most FBOs could not agree to get a contract to supply to WFP P4P hence opted to sale to traders while others kept the produce in the stores as they waited for the prices to rise further. Only two groups, namely; Lolgorian Grain Growers SHG and Keturo Area ‘B’ Farmers Association sold to WFP

The deliveries to WFP P4P through the direct purchase contract by the two (2) FBOs were 14.5 MT of beans worth USD 8660 and 189.95MT of maize worth USD 69,842 from Trans Mara. This was a short fall of 15 out of the 17 FBOs contracted in the previous quarter. The 14.5 MT of the 28MT beans contracted was contributed by 17 farmers, women being 6 or 35 percent from Lolgorian Grain Growers SHG. The FBO also supplied 77.95MT of Maize out of the 90MT contracted with 23 farmers where 8 or 34 percent women contributed to the stock supplied. Keturo Area ‘B’ Farmers Association was given the contract in Angata



through which other groups such as Koptigei widows, Angata farmers, Rotet Women group and Olaitong youth group supplied 112 MT of maize 100% delivery. The total beneficiaries that supplied through the FBO were 79 with 27 or 34 percent women and only 12 percent being youth. 80% Payment was done in a record 3 days.

A further 788.3 MT of maize valued at USD 265,661 and 37.62MT of beans whose value is USD 25,285 was sold jointly to various traders/schools/hospitals. The total beneficiaries were 384 farmers with 128 of them or 33 per cent being women for maize sales and the farmers contributing to the beans stock were 57 with 34 or 59 per cent being women. Only about 1.08 MT was delivered to schools by 14 FBOs' members through what is currently called 'food for fees initiative.' This is inclusive of the tonnage sold to traders/schools/hospitals category.

Kenya Seed Company (KSC) had also contracted 17 members of Mashambani SHG which supplied 28.2 MT of sorghum valued at USD 14,100. KSC also bought 41.05MT of Sun flower from 92 farmers valued at USD 22,956. This was contributed by Mashambani SHG (17 members), Meguarra community Grain store Group (with 42 farmers contributing) while the 33 remaining farmers were individual farmers who from the communities surrounding the bulking centers.

In Kongwa, this activity was largely off season but the delayed payments for last season of 262.07 MT worth USD 55,196 by Cereal Growers of Kongwa (CGoK) was paid in this quarter. The Cereal Growers of Kongwa (CGOK) has been awarded another tender of 65MT of maize by WFP P4P at a price of USD 330.72 per MT ex ware house and USD 350.93 per MT delivered to Dodoma.

In Trans Mara Six (6) FBOs in Trans Mara, each representing a bulking center have also negotiated and been awarded Forward Delivery Contracts (FDCs) of 952 MT of Maize and 56MT of beans at a floor price of USD 250 per MT and USD 448 per MT respectively. More FDCs are being processed for the purchase of beans to be signed in the second week of July 2011.

Attached find the commodity sales projections for this quarter

*Exchange rate of USD 1= KES 80 = TZS 1,500)*

***Summary Details for Jointly Sold Produce April - June 2011***

<b>Crop</b>	<b>Buyer</b>	<b>Sold Volume (MT)</b>	<b>Value of Sales (US\$)</b>	<b>No. of beneficiaries</b>
Maize	WFP (Harvested in Feb/March 2011, delivered May 2011)	189.95	69,912	102 farmers Women = 35
	Traders (Harvested in Feb / March 2011, sold from March - May 2011)	788.3	265,661	384 farmers Women = 128
Beans	WFP (Harvested from Dec 2010 – Jan 2011, delivered on May 2011)	14.5	5,337	17 Farmers Women = 6
	Traders – Delivered April/May 2011	37.62	25,285	57 farmers Women = 34
Sorghum	Kenya seed (Delivered in May 2011)	28.2	14,100	17 Farmers Women = 10
Sun flower	Kenya seed (Delivered in May 2011)	41.05	22,956	92 farmers Women = 36
<b>Total</b>		<b>1099.62</b>	<b>403,251</b>	<b>669 Farmers</b> <b>Women = 249</b>

*(Exchange rate of USD 1= KES 80 = TZS 1,500)*

## **5. Other activities**

### ***a) Recruitment of four (4) Stores Assistants***

Four (4) vacancies for Store Assistants were announced from March 2011 for Pandambili, Lenjulu, Hogolo in Kongwa and Keiyan, Trans Mara. Several applicants were invited for interview and the following were selected to fill the vacancies:

- i. Mesiak Looshari (a certificate of agriculture holder with vast experience working with farmers). He will be working at Lenjulu.

- ii. Gilbert Simon (a diploma in agriculture holder worked with World Vision for 6 year as a community facilitator).He will be working both at Hogolo and Songambe.
  - iii. Luis Ibrahim (a diploma in international relationship and journalism holder worked as journalist and credit facilitator to small entrepreneurs with Boy Port Finances).He is placed at Pandambili.
  - iv. Janet Shunkur Naasicho (a holder of a certificate in secretarial studies and clerical work. She has worked a clerk and sectary at Enosaen Secondary school for 18 months)
- b) *Poroko Field day*** – This was held on 29<sup>th</sup> June 2011 at Poroko Primary School in Kilgoris division, Trans Mara. The Guest of honour Prof Gideon Arap Misoi, the National Cereals and Produce Board (NCPB) Managing Director was not able to attend and was represented by The Operations Manager at NCPB. The other guests were the District Commissioner, Trans Mara west district Mr. Mbogo Mathioyah and two DAO's from Sotik and Narok. At the demo site there were about 37 different varieties of maize and about 40 different varieties of horticultural crops, legumes and fodder crops. Thirteen (13) exhibitors showcased their products and technologies to the farmers. In total about 1067 farmers attended the field day. This Field day was jointly organized by CGA and the Ministry of Agriculture.
- c) *CGA staff training on Monitoring and Evaluation*** - The training was held at Nakuru from 27<sup>th</sup> to 29<sup>th</sup> April 2011 and facilitated by Desmond Boi an M & E specialist and Anthony Kioko, the CGA Programme Manager. There were 10 participants. The training was meant to horn reporting skills for the field staff in improving their reporting. COMPETE team was represented By George Mabuka, the Satellite Stores Manager Transmara.
- d) *Publishing of the Sower Newsletter*** – Invitations were sent out to prospective service providers to quote for the editorial and printing services for the said magazine and Branded Content selected to do the printing. The 1<sup>st</sup> issue of the re-launched newsletter is expected to be ready for distribution to farmers, partners and stakeholders by August 2011.

## **7. Challenges faced during the Quarter and Recommendations**

The main challenges in implementing the project included:

- i. ***Price volatility*** – this is particularly so for maize and beans and leads to a situation where the contracted price turned out to be lower than the one the farmers were contracted at, hence the temptation to default.
- ii. ***Understanding of the Forward Delivery Contract (FDC's)***– most farmers have been sceptical about the Forward Delivery Contract. This is because of the misunderstanding about the set floor price.

## **8. Recommendations**

- i. ***Registering the farmers into umbrella groups*** - for effective supervision of the farmers' deliveries and management within the bulking centers, several small FBOs need to be registered in one Umbrella association.
- ii. The Forward Delivery Contract is the best form of contracting to the small scale farmers as it assures the farmer of a market and enables the farmers acquire loans in advance for his/her other immediate needs.

## **9. Activities for the next Quarter**

- i. Regional Farmers exposure visit to Kongwa, Tanzania from 1<sup>st</sup> to 4<sup>th</sup> August 2011
- ii. Purchases of maize and beans through the FDC by WFP-P4P in Trans Mara
- iii. Complete the renovations and equipping the newly identified stores
- iv. Continue with the ToT and grassroots trainings